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BONN COAL TARIFF BACKED BY ERHARD

Economics Minister Insists
Duty Must Be Imposed
to Reduce Glut

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Special to The New York Times

BONN, Germany, Jan. 29—Dr. Ludwig Erhard, Minister of the Economy, stood firm today on the Bonn Government's decision to impose a 10 per cent tariff on foreign coal despite a sharp United States protest. Dr. Erhard told the Bundestag, the lower house of Parliament, that the \$1.76-a-ton duty was unavoidable if West Germany's domestic coal "crisis" was to be overcome.

He said the protectionist measures, including the proposed tariff and the establishment of a coal-oil price cartel, were preferable to lay-offs of German miners or the closing of uneconomic mines.

"The Government is determined to see that all foreign coal contracts are ended," he said.

Dr. Erhard announced a slight increase in the proposed quota of foreign coal that would be admitted duty free. He said 5,000,000 tons, instead of 4,500,000 tons, would be admitted because of the insistence of the European Coal and Steel Community.

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Heinrich Deist, chief speaker for the Social Democratic Opposition in the debate on coal, glibed at the glum-faced Economics Minister with the question "What is left of the so-called free-market economy?"

The expression is Dr. Erhard's own to describe his economic theories of liberal trade and free competition.

The Economics Minister did not refer in his speech to a written protest delivered to the Foreign Ministry by the United States Embassy Tuesday. The note complained that the

planned tariff, which would reduce United States coal shipments to West Germany by 75 per cent this year, contradicted Bonn's expressed liberal trade policy.

A Foreign Ministry spokesman said Bonn did not consider the note to be a formal protest since it only expressed "concern" at the projected measure. It does not require an immediate answer, the spokesman said.

The United States Embassy countered that the note was in fact an "official protest."

He said the United States had "no understanding" of the new tariff policy, according to an Embassy spokesman.

The Bundestag Foreign Commerce Committee approved the coal tariff bill yesterday. Grumbling among Deputies of the governing Christian Democratic Union made it less than sure that the legislation would be enacted.

The Socialist and Free Democratic opposition parties ranged themselves against the bill.

Meanwhile, Dr. Helmuth Burckhardt, chairman of the Coal Industry Association, announced the formation of an emergency organization to finance the cancellation of outstanding import contracts. More than 30,000,000 tons of United States coal still are on order.

Dr. Burckhardt said \$25,000,000 would be made available to importers who must pay about \$1.25 a ton in cancellation fees.

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